Excise free zones

809. SHRI B.K. HARIPRASAD: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether pharma companies located in excise free zones are mandated to pass on the benefits to consumers; and

(b) whether the National Pharmaceutical Pricing Authority is keeping a watch on pharma units which factor in excise component into pricing even when they do not pay the excise levy?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) The excise duty being indirect tax can be added in M.R.P. only if it is paid. Pharma companies located in excise-free zones are exempted from payment of excise duty etc. As such, these taxes cannot be added in M.R.P.

(b) The National Pharmaceutical Pricing Authority (NPPA) examines the price list in form V of DPCO, 1995 submitted by Pharma companies to ensure that the excise duty is added in M.R.P. only if it is being paid by the concerned Pharma unit. The ceiling price notified by the NPPA in the cases of Scheduled formulations also indicates that the equivalent M.R.P. is subject to actual payment of Government levies/taxes as applicable.

Rise in prices of vegetables

810. DR. M.A.M. RAMASWAMY: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether Government is aware of the fact that vegetable prices and more particularly the onion price are shooting up unexpectedly;

(b) if so, the details thereof and the reasons therefor;

(c) whether it is also a fact that onion price is likely to go up further in near future, and that the black marketeers and hoarders have started hoarding onions, thus creating an artificial shortage; and

(d) if so, the steps proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI TASLIMUDDIN): (a) and (b) The prices of vegetables are largely affected by seasonal factors. The recent spurt in prices of vegetables was owing to the festival season and heavy rains and flood in growing areas, which led to lower arrivals in consuming centres. The onion prices in domestic market have not shot up unexpectedly. In fact the prices of onion are ruling low as compared to last year. For instance, in Delhi, the average price of onion was Rs 1436 per quintal during September 2007 while it was Rs 815 this year during September 2008. Details are given in the Statement (*See* below).

(c) According to National Horticultural Research and Development Foundation (NHRDF), Nasik there is sufficient stock of onion available upto November'08. Fresh crop arrivals from AP, Karnataka and Tamil Nadu are also available. Fresh crop availability will increase from December onwards. Therefore there may not be any abnormal rise in prices of onion in near future. The arrivals of onion in all the major markets are higher than last year. Government has also not received any report of hoarding of onion by black marketers and hoarders.

(d) Does not arise.